KAGISANO LOCAL MUNICIPALITY

ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDING
30 JUNE 2008

KAGISANO LOCAL MUNICIPALITY

- Our Vision -

To be a developmental vehicle through which the needs of the Community shall be achieved in a sustainable manner.

- Our Mission -

Service provision through partnership, accountable and democratic, transformation, capacity building through human capital development

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GENERAL INFORMATION
AS AT 30 JUNE 2008

MEMBERS OF THE EXECUTIVE COMMITTEE AND THEIR PORTFOLIOS

Cllr. O.R. Mochware	Municipal Mayor
Cllr. M.K. Mokgara	Community Services and LED
Cllr. T.V. Setae	Budget and Treasury
Cllr. B. Moirwagale	Technical Services
Cllr. S. Modise	Corporate Services

SPEAKER

Cllr. L.C. Loabile

COUNCILLORS

Cllr. G.K. Nthebotsenyane	Ward Councillor
Cllr. T.M. Lenkopane	Ward Councillor
Cllr. T.Z. Baakanyang	Ward Councillor
Cllr. G.G. Kekesi	Ward Councillor
Cllr. B.M. Malokwe	Ward Councillor
Cllr. B.C. Malose	Ward Councillor
Cllr. G.V. Morungwane	Ward Councillor
Cllr. M.E. Ntsie	Ward Councillor
Cllr. L.L. Barapami	Proportionally Elected Councillor
Cllr. M.K. Kesilwe	Proportionally Elected Councillor
Cllr. T.G. Kegakilwe	Proportionally Elected Councillor
Cllr. K.G. Lebethe	Proportionally Elected Councillor
Cllr. G.S. Letimela	Proportionally Elected Councillor
Cllr D.E. Masipa	Proportionally Elected Councillor
Cllr. M.R. Mosemeng	Proportionally Elected Councillor
Cllr. D.G. Mochwari	Proportionally Elected Councillor
Cllr. M.S. Thue	Proportionally Elected Councillor
Cllr. K.Mekgwe	Proportionally Elected Councillor
Cllr. O.G. Letlhogile	Tribal Councillor
Cllr. K.Mekgwe	Tribal Councillor
Cllr. T.I. Kegakilwe	Tribal Councillor
Cllr. I.M. Mekgwe	Tribal Councillor

EXECUTIVE STRUCTURE

Mr. M.G. Kegakilwe	Municipal Manager
Mr. F. Keate	Director Corporate Services
Ms GP Moroane	Chief Financial Officer
Mr. MS Thebe	Director Technical Services Manager
Mr. M. Oagile	Director Community Services and LED

GRADING OF LOCAL AUTHORITY

Category B, Grade1

The category is used for the determination of the upper limits of the salaries, allowances and benefits of the different members of the municipal councils in terms of the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998).

AUDITORS

Office of the Auditor-General

AUDIT COMMITTEE

Shared Audit Service with the Bophirima District Municipality:

J. Masite	Chairperson
M. Seleho	
S. Williams	
E. van Rensburg	
M. Jarvis	
S. Dlanjwa	

BANKERS

ABSA Bank

REGISTERED OFFICE

Next to Ganyesa Clinic	Private Bag x 522	Telephone: (053) 998 4455
Chief Block Section	Ganyesa	Fax: (053) 998 3711
Ganyesa	8613	Website: www.kagisanolm.co.za

APPROVAL OF FINANCIAL STATEMENTS

The annual financial statements set out on page 5 to 36 were approved by the Municipal Manager on _____ 2008 and presented to and approved by the Council on _____ 2008.

M.G. KEGAKILWE
MUNICIPAL MANAGER
DATE:

G.P. MOROANE
CHIEF FINANCIAL OFFICER
DATE:

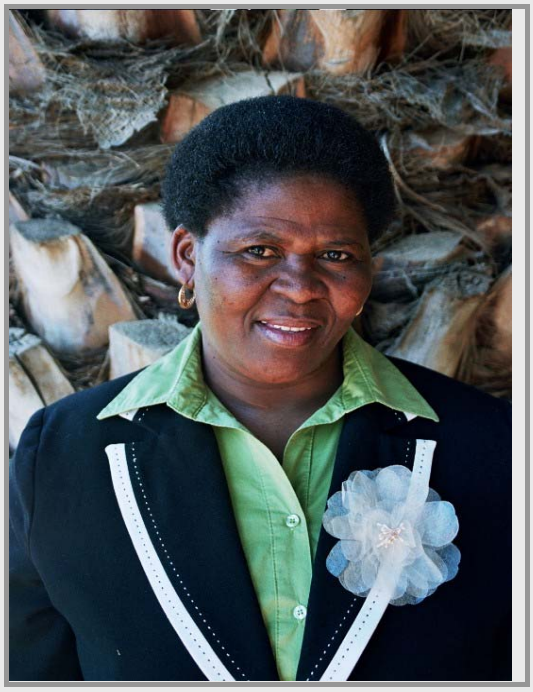
REVIEW OF THE MUNICIPAL MAYOR

The municipality managed to deliver on a number of goals set for the financial year ending 30 June 2008. The year commenced with the appointment of personnel in key positions. This was to ensure that optimal service delivery is achieved. The results were the appointment of service providers who assisted in accelerating the implementation and completion of a number of projects.

In executing our daily activities we were mindful of cementing the reforms brought about by the Municipal Finance Management Act (MFMA) and other relevant municipal acts. The MFMA as an implementing tool requires that municipalities run their finances in an efficient, effective and transparent manner.

In this financial year we encountered some challenges in implementing policies and procedure effectively. These challenges were, however an awakening call on our part and requires that we become stringent in implementing these policies and procedures. The meeting of important deadlines in execution of our duties will also ensure we deliver quality service at the right time to our communities.

In conclusion I would like to take this opportunity to thank the former Mayor and Councillors for the dedication they have shown during their term of office. The present Council and I have a mammoth task of work ahead of us. I will also like to thank the Officials for the good work they have done in this financial year.



CLLR. O.R. MOCHWARE
MUNICIPAL MAYOR

REPORT OF THE AUDITOR GENERAL

REPORT OF THE CHIEF FINANCIAL OFFICER

1 INTRODUCTION

The financial statements for the financial year ending 30 June 2008 were compiled with the assistance of the District Municipality.

The Municipality depends entirely on the Equitable Share allocation from National Government for it's survival. Areas like Piet Plessis, Louwna, the farms, government departments and business properties have been identified to commence with the compilation of the valuation roll. The appointment of a professional property valuer was made to commence with the valuation roll of the entire municipality. This will then afford the municipality some muscle to levy assessment rates and service charges to residents.

The following major challenges were faced during the 2007/08 financial year:

a) The full implementation of the Municipal Finance Management Act (MFMA) posed the greatest challenge as it has totally transformed financial management in Local Government. Many workshops and training sessions have been attended and new concepts have been adopted.

b) The SCM unit within the Finance Department was established in the 2007/08 financial year in line with the requirements of the MFMA. This has greatly improve the workings of procurement and related activities in the Municipality.

c) There is a serious lack of communication regarding funding from both National and Provincial Governments, making it very difficult to do any form of sensible cash flow and other financial planning. It is also very difficult to determine which grant any payment into the bank account of the Municipality relates to due to the lack of communication.

The following major successes were achieved during the 2007/08 financial year:

a) The Operational and Capital Budget for the 2007/08 financial year was adopted by Council on 26 June 2007.

b) Financial Interns program is progressing very successfully so far. The only complication is the lack of a structured training programme from National Treasury.

c) The Scholarship bursary reserve is well established and many students are benefiting from these programs.

The Finance Department and it's staff members are highly committed and motivated to serve the Municipality and the community to the fullest. All efforts are made to ensure that the efficiency and effectiveness of the Finance Department will improve even further in future.

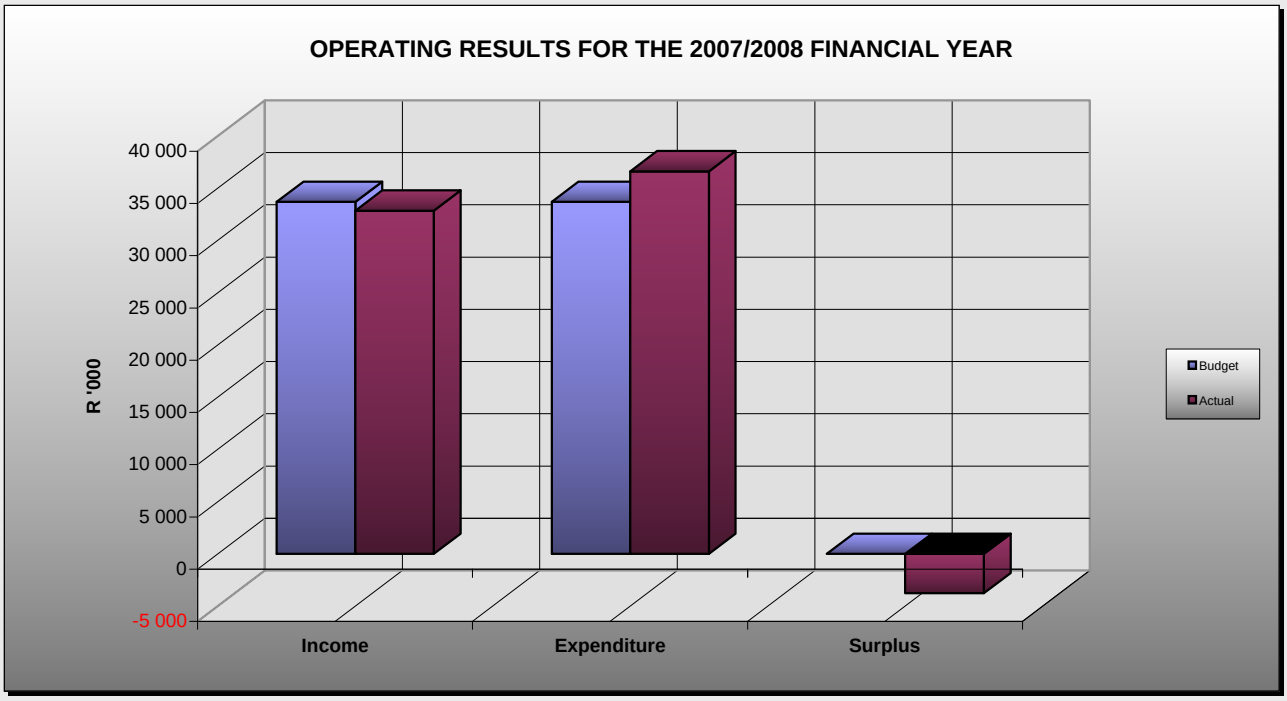
REPORT OF THE CHIEF FINANCIAL OFFICER (Cont)

2 REVIEW OF OPERATING RESULTS

The operating - and capital budget for the 2007/08 financial year was approved on 26 June 2007. The budget reflected in these financial statements are as per the adjustments budget approved by Council on 25 June 2008.

2.1 General

Details of the operating results per department and classification of income and expenditure are included in **Appendices D and E**. The applicable statistics are shown in **Appendix F**. A graphical presentation of the operating results is shown in the graph below:



The overall operating results for the year ended 30 June 2008 are as follows:

	Actual 2007 R	Actual 2008 R	Variance 2007/2008 R	Adjustment Budget 2008 R	Variance Actual/Budget R
INCOME					
Operating surplus	94 701	0	0%	0	0.0%
Operating income for the year	27 999 692	32 848 866	15%	33 689 630	-2.5%
Closing deficit	3 836 415	7 459 290	49%	0	100.0%
	31 930 809	**40 308 156**	**21%**	**33 689 630**	**19.6%**
EXPENDITURE					
Opening deficit	0	3 836 415	100%	0	100.0%
Operating expenditure for the year	36 554 069	36 616 351	0%	33 689 630	8.7%
Sundry transfers	-4 623 260	-144 610	-3097%	0	100.0%
Closing surplus	0	0	0%	0	0.0%
	31 930 809	**40 308 156**	**26%**	**33 689 630**	**19.6%**

REPORT OF THE CHIEF FINANCIAL OFFICER (Cont)

2.2 Operating Income for the year

The decrease of 2.5% of the actual operating income over the budgeted operating income of R 33,689,630 is mainly due to the following variances:

INCOME	Actual 2008 R	Adjustment Budget 2008 R	Variance R	Variance %
Equitable share allocation	20 123 720	20 123 720	-0	0.0%
Interest received from various sources	330 273	273 769	56 505	20.6%
Conditional Grants received from National Government:			0	
- Finance Management Grant	500 000	500 000	0	0.0%
- Municipal Infrastructure Grant (MIG)	4 891 223	5 286 000	-394 777	-7.5%
- Municipal Systems Improvement Programme (MSIG)	734 000	734 000	0	0.0%
Conditional Grants received from Provincial Government:				
- Conditional Grant: DDLG&H Housing Grant	2 494 976	2 494 976	0	0.0%
- Library Funding - Morokweng Library	1 942 694	1 942 694	0	0.0%
- Library Services	250 000	250 000	0	0.0%
- DEDT - Wild Silk Africa Project	888 212	1 000 000	-111 788	-11.2%
- DSAC - Freedom Day Celebrations	323 000	-	323 000	100.0%
Conditional Grants received from District Municipality				
- Wild Silk Africa Project	0	500 000	-500 000	-100.0%
- Compilation of Indigent Register	160 853	400 000	-239 148	-59.8%
Other income items	209 915	184 471	25 444	13.8%
	32 848 866	**33 689 630**	**-840 764**	**-2.5%**

Conditional Grants received from National Government

The reason for the apparent variance on MIG allocations are due to the difference in the national and municipal financial year-ends.

Conditional Grants received from Provincial Government

Although the Department of Economic Development and Tourism committed to transfer R 1,000,000.00 during the financial year, only R 888,212.00 was actually transferred resulting in a variance of R 111,738.00, which was only transferred in 2008/2009. The R 323,000.00 for the DSAC - Freedom Day Celebrations was received late in the financial year and was not known at the time of the compilation of the adjustment budget.

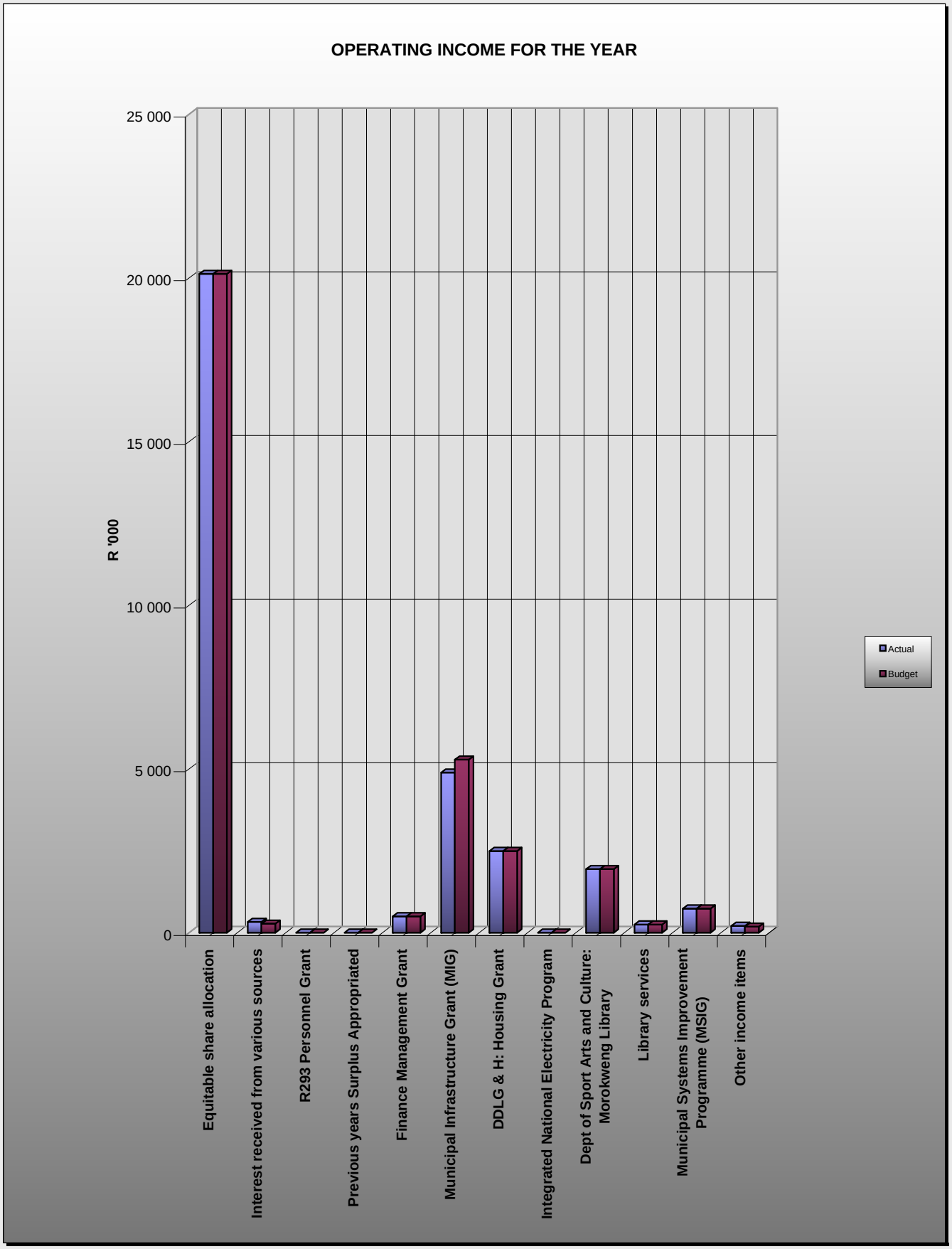
Conditional Grants received from the District Municipality

The Indigent Register Programme funded by the District Municipality only commenced late during the financial year and expenditure incurred on Wild Silk Project were funded from the Department of Economic Development and Tourism funds. The R 500,000.00 allocation was only utilized in 2008/2009 financial year.

Other Income Items

The variance on Other Income was due to the fact that the actual interest received on current account was more than anticipated.

REPORT OF THE CHIEF FINANCIAL OFFICER (Cont)



REPORT OF THE CHIEF FINANCIAL OFFICER (Cont)

2.3 Operating Expenditure for the year

The increase of 9% of the actual operating expenditure over the budgeted operating expenditure of R33,689,630 is mainly due to the following variances:

Expenditure	Actual 2008 R	Adjustment Budget 2008 R	Variance R	Variance %
Salaries, wages and allowances	12 910 669	12 267 908	-642 761	-5%
General expenses				
- Other general expenses	7 659 920	6 224 043	-1 435 877	-23%
- LED Projects	28 867	80 000	51 133	64%
- Audit expenses	1 164 465	400 000	-764 465	-191%
Repairs and maintenance	732 025	591 700	-140 325	-24%
Capital charges	707 386	137 472	-569 914	-415%
Contributions to fixed assets	728 061	1 130 837	402 776	36%
Contributions	12 684 958	12 857 670	172 712	1%
	36 616 351	**33 689 630**	**-2 926 721**	**-9%**

Salaries, wages and allowances

The variance on salaries, wages and allowances is due to the fact that an amount of R 637,472 was paid out for implementation of the Arbitration award.

General expenses

The variance of R1,434,815 on other general expenses was mainly due to the fact that the expenditure accelerated towards the end of the financial year and was not anticipated at the time of the adjustment budget. The savings on LED Projects was mainly due to slow progress on project implementation.

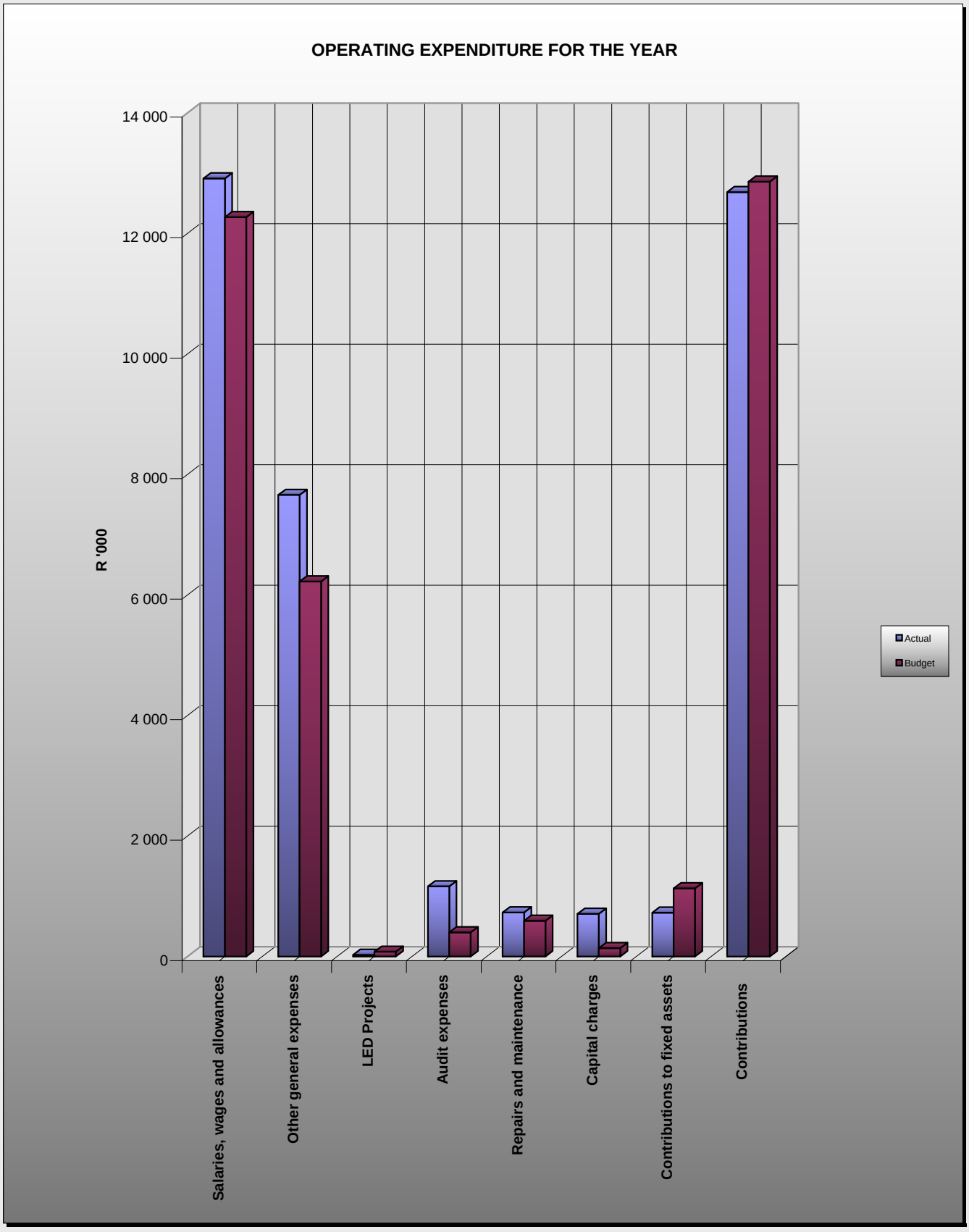
Contributions to fixed assets

The saving of R 402,776 on the contribution to fixed assets was due to the fact that not all funded projects were completed as at end of the financial year.

Contributions

The variance of R 333,565 on contributions was mainly due to non-expenditure on anticipated grants from the District Municipality due to the budgeted Indigent Register Programme starting towards the end of the financial year as well as slow progress on Wild Silk Africa Project.

REPORT OF THE CHIEF FINANCIAL OFFICER (Cont)



REPORT OF THE CHIEF FINANCIAL OFFICER (Cont)

3 CAPITAL EXPENDITURE AND FINANCING

The expenditure on fixed assets during the year amounted to R10,582,550. This is 9.3% less than the previous year. The actual expenditure is 40% less than that budgeted for and consists of the following:

	Actual 2007 R	Actual 2008 R	Variance 2007/2008 R	Adjustment Budget 2008 R	Variance Actual/Budget R
Land, Buildings and Infrastructure	9 017 902	11 052 434	2 034 532	17 482 786	-6 430 352
Other fixed assets	2 647 961	445 024	-2 202 938	300 837	144 187
	11 665 863	**11 497 457**	**-168 406**	**17 783 623**	**-6 286 166**

Resources used to finance fixed assets were as follows:

	Actual 2007 R	Actual 2008 R	Variance 2007/2008 R	Adjustment Budget 2008 R	Variance Actual/Budget R
Capital development fund	0	0	0	0	0
Contributions from:	0	0	0	0	0
- Operating account	5 130 472	728 061	-4 402 411	1 130 837	-402 776
- Grants and subsidies	6 535 391	10 769 396	4 234 005	16 652 786	-5 883 390
- Public contributions	0	0	0	0	0
	11 665 863	**11 497 457**	**-168 406**	**17 783 623**	**-6 286 166**

A complete stock-take of all assets in the Municipality was performed during April/May 2008 and reconciled to the balances per the fixed asset register and the general ledger.

A complete analysis of capital expenditure (budgeted and actual) per department, classification or service is included in **Appendix C**. More details regarding external loans and internal advances used to finance assets are shown in **Appendix B**.

REPORT OF THE CHIEF FINANCIAL OFFICER (Cont)

4 EXTERNAL LOANS, INVESTMENTS AND CASH

No external loans were outstanding against fixed assets on 30 June 2008.

Investments amounted to R8,995,552 on 30 June 2008 (R10,822,407 on 30 June 2007), and the cash and bank balance amounted to R43,367 on 30 June 2008 (R484,485 on 30 June 2007).

More information regarding loans and investments are disclosed in the **Notes (6)**, **Appendix B** and **Appendix G** to the financial statements.

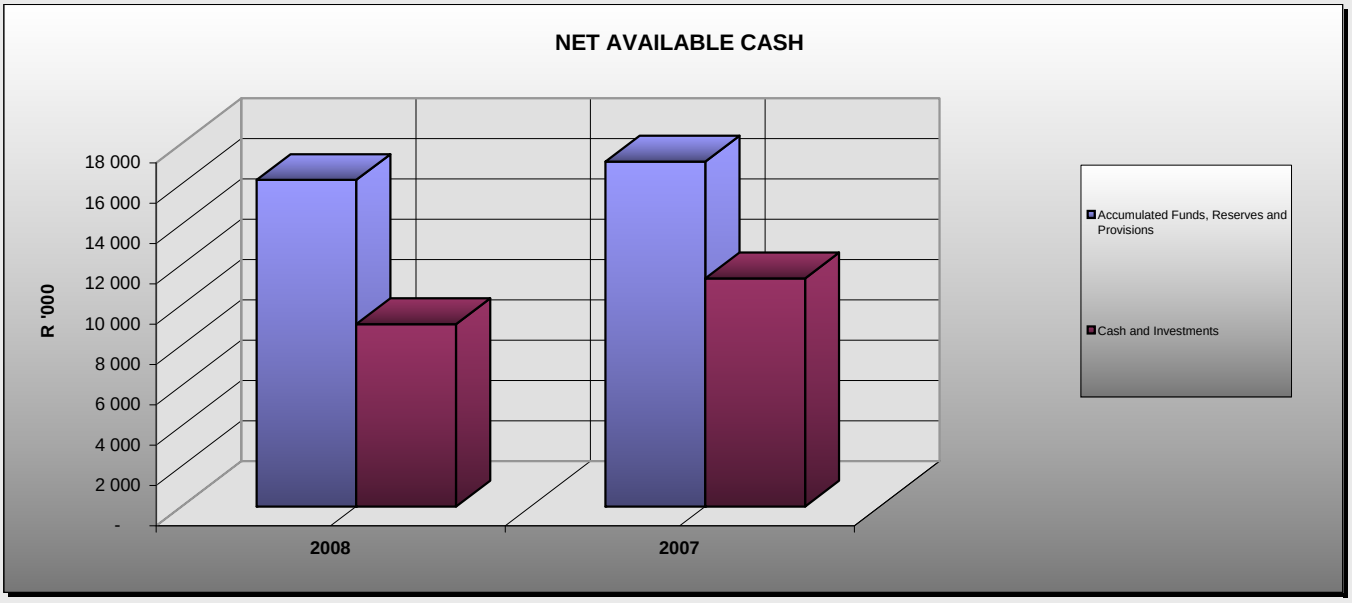
5 POST BALANCE SHEET EVENTS

No material litigation is outstanding against the Municipality and no other post balance events have occurred after year-end and up to the date of the completion of these financial statements.

6 ACCUMULATED FUNDS, RESERVES AND PROVISIONS

Detail information regarding funds, reserves and provisions are disclosed in the **Notes (1, 2, 3 and 4)** and **Appendix A** of

	Actual 2007 R	Actual 2008 R	Variance 2007/2008 R	Variance 2007/2008 %
Accumulated Funds, Reserves and Provisions				
Statutory funds	8 022 623	9 183 575	1 160 952	14%
Reserves	598 076	691 268	93 192	16%
Trust funds	12 055 216	12 572 071	516 855	4%
Provisions	258 074	1 203 524	945 450	366%
Accumulated surplus/ (deficit)	-3 836 415	-7 459 290	-3 622 875	94%
	17 097 574	**16 191 147**	**-906 427**	**-5%**
Cash and Investments				
Cash	484 485	42 687	-441 798	-91%
Investments	10 822 407	8 995 552	-1 826 855	-17%
	11 306 892	**9 038 239**	**-2 268 653**	**-20%**
Net available cash	**-5 790 682**	**-7 152 908**	**-1 362 226**	**24%**



REPORT OF THE CHIEF FINANCIAL OFFICER (Cont)

7 EXPRESSION OF APPRECIATION

I am grateful to the Mayor, the Executive Committee, the Speaker, Councilors, the Municipal Manager, Heads of the various departments and all officials for the support they have given to the Finance Department during the 2007/08 financial year.

A special word of appreciation to the staff of the Finance Department for all the hard work, sacrifices and concentrated efforts during the financial year, which accumulated into these annual financial statements.

G.P MOROANE
CHIEF FINANCIAL OFFICER
DATE:

ACCOUNTING POLICIES

1 BASIS OF PRESENTATION

1.1 These financial statements have been prepared as to conform to the standards laid down by the Institute of Municipal Treasurers and Accountants in its Code of Accounting Practice (1997) and Report on Published Annual Financial Statements (Second edition - January 1997). The office of the Auditor-General approves these standards.

1.2 The financial statements are prepared on the historical cost basis, adjusted for fixed assets as more fully detailed in **Accounting Policy Note 5**. The accounting policies are consistent with those applied in the previous year, except if otherwise indicated.

1.3 The financial statements are prepared on the accrual basis as stated:
- Income and expenditure are brought into account in the year to which it relates.
- Income is accrued when collectable and measurable. Certain direct income is accrued when received.
- Expenditure is accrued in the year it is incurred.

2 CONSOLIDATION

The financial statements include the Rate and General services, Trading services, Agency Services and the different funds and reserves.

3 FUNDS

3.1 Capital Development Fund

A fund is maintained from the nett proceeds from the sale of fixed assets and contributions from income in order to be utilised for capital developments.

3.2 Valuation Fund

This fund is maintained for the purpose of funding a general valuation every ten years. The fund was written-off during the year.

4 RESERVES

4.1 Scholarship Bursary Reserve

A reserve is maintained for the purpose of assisting youths from the municipal area to further their studies at tertiary institutions.

4.3 Bursary Reserve for Officials

A reserve is maintained for the purpose of assisting officials of the municipality to further their studies at tertiary institutions.

5 FIXED ASSETS

5.1 Fixed Assets are stated:
- at historical cost, or
- at valuation, (based on the market price at date of acquisition), where assets have been acquired by grant or donation,

while they are in existence and fit for use, except in the case of bulk assets which are written-off at the end of their estimated life as determined by the Chief Financial Officer.

ACCOUNTING POLICIES (Cont)

5.2 Depreciation:
The balance shown against the heading "Loans Redeemed and Other Capital Receipts" in the notes to the balance sheet is tantamount to a provision for depreciation, however, certain structural differences do exist. By way of this "Provision" assets are written down over their estimated useful life. Apart from advances from the various council funds, assets may also be acquired through:

- Appropriations from Income, where the full cost of the asset forms an immediate and direct charge against the operating Income, and therefore it is unnecessary to make any further provision for depreciation.

- Grant or donation, where the amount representing the value of such grant or donation is immediately credited to the "Loans Redeemed and Other Capital Receipts" account.

5.3 All nett proceeds from the sale of fixed assets are credited to the Capital Development Fund.

5.4 Fixed assets are financed from different sources, including external loans, operating income, endowments and internal advances. These loans and advances are repaid within the estimated lives of the assets acquired from such loans or advances. Interest is charged to the service concerned at the ruling interest rate applicable at the time that the advance is made.

6 INVESTMENTS

Investments are made in accordance with the investment policy of the Municipality. All investments are reflected in the statements at the original purchase price (cost price) or market value. All investments are made at approved banks and financial institutions in terms of Section 10G(9) of the Local Government Transition Act, 1996 (Act 97 of 1996) as amended.

7 INVENTORY

Inventory is valued at the lower of cost, determined on the weighted average basis, and net realizable value. No inventory was held by the Municipality during the financial year.

8 RETIREMENT BENEFITS

The Kagisano Local Municipality's officials and councillors contribute to the under mentioned pension funds, which provide retirement benefits to such officials and councillors:
- Cape Joint Retirement Pension Fund
- Government Employees Pension Fund
- Municipal Councillors Pension Fund

The retirement benefit plans are subject to the Pension Fund Act, 1956, with pensions being calculated on the final pensionable remuneration paid. Current contributions are charged against operating income on the basis of current personnel / remuneration costs.

Actuarial valuations are done as follows:
- Cape Joint Retirement Pension Fund: Actuarial valuation is done annually
- Government Employees Pension Fund: Actuarial valuation is done every 3 years
- Municipal Councillors Pension Fund: Actuarial valuation is done every 3 years

ACCOUNTING POLICIES (Cont)

9 LEASED ASSETS

Fixed assets held under finance leases are capitalised. Such assets are effectively amortised over the term of the lease agreement.

Lease finance charges are allocated to accounting periods over the duration of the leases, by the effective interest rate method, which reflects the extent and cost of lease finance utilised in each accounting period.

All other leases are treated as operating leases and the relevant rentals are charged to the operating account in a systematic manner related to the period of use of the assets concerned.

BALANCE SHEET AT 30 JUNE 2008

	Note	2008 R	2007 R
CAPITAL EMPLOYED			
FUNDS AND RESERVES		9 874 843	8 620 699
Statutory Funds	1	9 183 575	8 022 623
Reserves	2	691 268	598 076
ACCUMULATED DEFICIT	15	-7 459 290	-3 836 415
		2 415 553	4 784 284
TRUST FUNDS	3	12 572 071	12 055 216
CONSTRUCTION GUARANTEES	4	1 203 524	258 074
		16 191 147	**17 097 574**
EMPLOYMENT OF CAPITAL			
FIXED ASSETS	5	6 135 071	6 842 456
INVESTMENTS	6	0	0
LONG-TERM DEBTORS	7	0	33 028
		6 135 071	6 875 484
NET CURRENT ASSETS		10 056 077	10 222 089
CURRENT ASSETS		12 843 532	13 094 858
Debtors	8	3 787 468	1 603 802
Cash		42 687	484 485
Short-term investments	6	8 995 552	10 822 407
Short-term portion of long-term debtors	7	17 825	184 164
CURRENT LIABILITIES		2 787 455	2 872 769
Provisions	9	1 825 907	1 080 565
Creditors	10	961 548	1 792 204
		16 191 147	**17 097 574**

INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2008

Service	2008 Actual Income R	2008 Actual Expenditure R	2008 Surplus / (Deficit) R	2008 Adjustment Budget Surplus / (Deficit) R	2007 Actual Income R	2007 Actual Expenditure R	2007 Surplus / (Deficit) R
RATES AND GENERAL SERVICES	32 500 950	36 426 784	-3 925 834	0	27 485 564	35 790 616	-8 305 052
Community services	31 597 581	35 629 544	-4 031 963	0	25 550 776	34 114 819	-8 564 043
Subsidised services	620 167	517 268	102 899	0	1 633 740	1 541 262	92 478
Economic services	283 202	279 972	3 230	0	301 048	134 535	166 513
TRADING SERVICES	347 916	189 567	158 349	0	514 128	763 453	-249 325
TOTAL	**32 848 866**	**36 616 351**	**-3 767 485**	**0**	**27 999 692**	**36 554 069**	**-8 554 377**
Appropriations for the year (Refer to **Note 15.1**)			144 610				4 623 260
Net surplus / (deficit) for the year			-3 622 875				-3 931 117
Accumulated surplus / (deficit) at the beginning of the year			-3 836 415				94 701
ACCUMULATED SURPLUS / (DEFICIT) AT THE END OF THE YEAR			**-7 459 290**				**-3 836 415**

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2008

	Note	2008 R	2007 R
CASH RETAINED FROM OPERATING ACTIVITIES		9 228 804	10 138 008
Cash generated by operations	**16**	-595 035	-1 932 584
Investment income	**14**	923 946	722 383
(Increase) / decrease in working capital	**17**	-1 869 503	4 812 818
		-1 540 592	3 602 617
Less: External interest paid	**14**	0	0
Cash available from operations		-1 540 592	3 602 617
Cash contributions from the Public and Government		10 769 396	6 535 391
Net proceeds on disposal of fixed assets		0	0
CASH UTILISED IN INVESTING ACTIVITIES			
Investments in fixed assets		-11 497 457	-11 665 863
NET CASH FLOW		**-2 268 653**	**-1 527 855**
CASH EFFECTS OF FINANCING ACTIVITIES			
Increase / (decrease) in Long-term loans		0	0
(Increase) / decrease in cash investments	**18**	1 826 855	1 418 822
(Increase) / decrease in cash	**19**	441 798	109 033
		2 268 653	**1 527 855**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	Description	2008 R	2007 R
1	**STATUTORY FUNDS**		
	Capital Development Fund	9 183 575	8 022 623
	(Refer to Appendix A for more details)	**9 183 575**	**8 022 623**
2	**RESERVES**		
	Scholarship Bursary Reserve	487 758	405 496
	Bursary Reserve Officials	203 510	192 580
	(Refer to Appendix A for more details)	**691 268**	**598 076**
3	**TRUST FUNDS**		
	Free Basic Services Grant	1 519 159	1 424 398
	Tax Capacity Grant	119 385	94 105
	Municipal Systems Improvement Grant	48 565	0
	CMIP Funds	2 919 484	2 390 331
	Library Funds	630 194	360 230
	Ganyesa Dikhwena Trust Fund	1 936 358	3 899 953
	Drought Relief Grant: DWAF	190 922	190 922
	Financial Management Grant	810 955	664 303
	National Lottery Grant	400 433	400 433
	Morokweng Library	1 481 105	2 630 541
	DPLG Housing Grant: 1600 Housing Units	2 499 611	0
	Department Of Sports arts and Culture	15 900	0
	(Refer to Appendix A for more details)	**12 572 071**	**12 055 216**
4	**CONSTRUCTION GUARANTEES**		
	KLM2/2005/06: McGuire Construction (Outdoor Sport Facilities)	258 074	258 074
	Construction of Covered Carports	30 543	0
	Morokweng Library Project - G&HG Silver Blue Contruction	172 837	0
	Wild Silk Africa Project - SM Hand-Up Building Construction	130 529	0
	RETENTION		
	Moswana Community Hall - Kgaratlha MD Construction	63 363	0
	Louwna Community Hall - Mmanyane RJC Joint Venture	69 004	0
	Kgokgojane MPCC - Tshupetso Dikiro Construction	45 278	0
	Morokweng Library Project - G&HG silver Blue Contruction	172 837	0
	Wild Silk Africa Project - SM Hand-Up Building Construction	261 058	0
		1 203 524	**258 074**
5	**FIXED ASSETS**		
	Fixed assets at the beginning of the year	57 654 798	45 988 935
	Capital expenditure during the year	11 497 457	11 665 863
	Less: Assets written-off, transferred or disposed of during the year	-901 119	0
	Total fixed assets	**68 251 136**	**57 654 798**
	Less: Loans redeemed and other capital receipts	-62 116 065	-50 812 342
	Loans redeemed and advances repaid	1 744 386	1 319 374
	Contributions from operating income	25 985 247	25 258 086
	Grants and subsidies	34 386 432	24 234 881
	Nett Fixed Assets	**6 135 071**	**6 842 456**

(Refer to Appendix C and Section 3 of the Treasure's Report for more details on fixed assets)

Description	2008 R	2007 R
6 INVESTMENTS		
Unlisted:		
Short-term deposits and Call deposits	8 995 552	10 822 407
Total investments	8 995 552	10 822 407
Less: Short-term portion of investments	-8 995 552	-10 822 407
Nett investments	**0**	**0**
Management's valuation of unlisted investments	**8 995 552**	**10 822 407**
Average rate of return on investments	**6.43%**	**5.02%**

The Local Government Transition Act, 1993 (Act 209 of 1993) as amended requires local authorities to invest funds, which are not immendiately required, with prescribed institutions and the period should be such that it will not be necessary to borrow funds against the investment at a penalty interest rate to meet commitments. No investments have been written-off during the year. No investments have been pledged as security for any funding facilities of the Municipality.

7 LONG-TERM DEBTORS		
Motor Vehicle Loans	17 825	217 192
Computer Loans	0	0
	17 825	217 192
Less: Short-term portion of long-term debtors transferred to current assets	-17 825	-184 164
	0	**33 028**

8 DEBTORS		
Current debtors (consumer and other)	6 723 030	4 539 364
Less: Provision for bad debts	-2 935 562	-2 935 562
	3 787 468	**1 603 802**

9 PROVISIONS		
Audit Costs	1 000 000	350 000
Leave Pay	825 907	730 565
	1 825 907	**1 080 565**

Description	2008 R	2007 R
10 CREDITORS		
Trade creditors	911 232	1 623 910
Other Creditors	50 317	168 297
	961 548	**1 792 207**
11 ASSESSMENT RATES		
Council adopted the Municipal Property Rates Policy and By-laws during the financial year. Municipal Valuers were appointed on 26 May 2008 to compile the valuation roll for the municipality for implementation on 1 July 2009. The process to ensure full compliance with Muncipal Property Rates Act in still ongoing and will be finalized by 30 June 2009.		
12 COUNCILLORS' REMUNERATION		
Mayor's allowance	309 727	330 241
Speaker's allowance	229 180	286 320
Councillors' allowance	2 245 620	1 772 940
Councillors' pension contributions	371 371	292 216
Councillors' medical aid contributions	15 557	0
Councillors' housing allowances	422 977	537 337
Councillors' travelling allowances	569 865	510 562
	4 164 295	**3 729 616**
13 AUDITOR'S REMUNERATION		
Audit fees		
- Current year	1 000 000	350 000
- Under / (over) provision prior year	164 465	160 066
	1 164 465	**510 066**
14 FINANCE TRANSACTIONS		
Total external interest earned and paid:		
- Interest earned	923 946	722 383
- Interest paid	0	0
Capital charges debited to operating account:		
Interest		
- External	0	0
- Internal	664 442	730 370
Redemption		
- External	0	0
- Internal	707 386	610 030
Deferred charges written-off		
	1 371 828	**1 340 400**

Description	2008 R	2007 R
15 APPROPRIATIONS		
15.1 Appropriation Account		
Accumulated surplus / (deficit) at the beginning of the year	-3 836 415	94 701
Gross operating surplus for the year	-3 767 485	-8 554 377
Appropriations for the year:	144 610	4 623 260
- Prior year adjustments	99 654	958 462
- Sundry balances write-off	44 956	11 117
- Provision for bad debts	0	-847 032
- VAT Control Account	0	0
- Capital Development Fund written off	0	4 820 041
- Prior year's PAYE	0	-328 707
- Construction Guarantee - Interest Earned	0	9 380
Accumulated surplus / (deficit) at the end of the year	**-7 459 290**	**-3 836 415**
15.2 Operating account		
Capital expenditure	728 061	5 130 471
Contributions to:	12 684 958	9 933 963
- Capital development fund	0	0
- Bursary reserve	500 000	330 000
- Other governmental conditional grants	12 184 958	9 603 963
	13 413 019	**15 064 434**
16 CASH GENERATED BY OPERATIONS		
Surplus / (deficit) for the year	-3 767 485	-8 554 377
Adjustments in respect of previous year's operating transactions	144 610	4 623 260
Appropriations charged against income	15 016 306	16 856 251
- Capital development fund	0	0
- Fixed assets (Capital expenditure)	728 061	5 130 472
- Provisions and reserves	2 103 287	2 121 816
- Other governmental conditional grants	12 184 958	9 603 963
Capital charges:		
Interest paid:		
- to internal funds	664 442	730 370
- to external funds	0	0
Redemption:		
- of internal advances	707 386	610 030
- of external loans	0	0
Investment income (operating account)	-330 273	-191 803
Non-operating income:		
- Nett income from reserves	419 098	0
- Nett income from trust funds	0	242 804
Non-operating expenditure:		
- Expenditure charged against provisions and reserves	-1 265 806	-5 762 119
- Expenditure charged against trust funds	-12 183 312	-10 487 000
	-595 035	**-1 932 584**

Description	2008 R	2007 R
17 (INCREASE) / DECREASE IN WORKING CAPITAL		
(Increase) / decrease in debtors	-2 183 666	5 825 684
(Increase) / decrease in long-term debtors	199 367	339 923
Increase / (decrease) in creditors	-830 654	-813 336
Increase / (decrease) in deposits	945 450	-539 454
	-1 869 503	**4 812 818**
18 (INCREASE) / DECREASE IN EXTERNAL CASH INVESTMENTS		
Investment realised	6 716 782	16 926 864
Investment made	-4 889 927	-15 508 042
	1 826 855	**1 418 822**
19 (INCREASE) / DECREASE IN CASH ON HAND		
Cash balance at the beginning of the year	484 485	593 518
Less: Cash balance at the end of the year	-42 687	-484 485
	441 798	**109 033**

20 RETIREMENT BENEFITS

Most employees and councillors of the Municipality are members of one of the following funds. The Municipality's contributions to these funds are reflected as a charge against income in the financial statements.

As the final retirement benefits payable to members are determined solely by the contributions paid to the fund, together with investment earnings thereon, the Council has no unfunded liabilities.

20.1 Cape Joint Retirement Pension Fund

The last actuarial valuation of the Cape Joint Retirement Pension Fund was done at 30 June 2007. This valuation indicated that the fund is in a sound financial condition at the valuation date.

20.2 Government Employees Pension Fund

The Government Employees Pension Fund is a defined contribution arrangement and is governed by the Government Employees Pension Fund Law, 1996 in terms of Proclamation 21 of 19 April 1996. Actuarial valuations are performed every 3 years. The last actuarial valuation of the Government Employees Pension Fund was done at 31 March 2006. This valuation indicated that the fund is in a financially sound position yet funded at a level of 100%.

20.3 Municipal Councillors Pension Fund

The Councillors of the Municipality are members of the Municipal Councillors Pension Fund which is a defined contribution fund and governed by the Pension Funds Act of 1956. The fund was established in 1988 and an actuarial valuation is carried out every 3 years. The last actuarial valuation of the Municipal Councillors Pension Fund was done at 30 June 2003. This valuation indicated that the fund is in a financially sound position and funded at a level of 107.1%.

Description	2008 R	2007 R

21 CONTINGENT LIABILITIES AND CONTRACTUAL OBLIGATIONS

21.1 Leave pay outstanding

Leave pay outstanding as at 30 June 2008 amounts to R825,907 (2007 - R730,565), whereas the provision amounts to R825,907 (2007 - R730,565). It is the policy of the Council to carry a provision of 100% of the outstanding amount.

21.2 Litigation and claims

21.2.1	**EDITH MOGWERA**	40 000	40 000

Me Mogwera lodged an application in the Labour Court for the recovery of an amount of R26104.52. Being in respect of unpaid salary.

The application was opposed and we are currently awaiting reaction from the opposite side

The matter has been dormant for a considerable period and it would seem as if the applicant has abandoned her application.

The estimation of the Municipality's exposure is based on the possibility that the Applicant may succeed with the application in which event the Municipality will also be liable for the payment of its own as well as that of the Applicant

21.2.2	**JOSEPH MODISAOTSILE**	225 000	225 000

Mr Modisaotsile applied to the Labour Court for an order directing the Municipality to make payment to him in the following amounts:

R34 348.23
R150 000.00
Interest @ 15.5 % per annum
Costs of the application

Notice was given of the apposition of the application. An amount has been paid to the Applicant by way of an offer of settlement.

Currently we are awaiting the Applicant's response to the opposing affidavit and to the settlement offer.
The estimation of the Municipality's exposure is based on the possibility that the Applicant may succeed with it's application in which event the Municipality will also be liable for the payment of its own legal costs and that of the applicant.

Description		2008 R	2007 R
21.2.3	**K. DIJWE**	310 000	310 000
	This person instituted action against the Municipality for recovery of an amount of R269632.00 plus costs and interest in respect of alleged malicious prosecution. Notice has been given of the Municpality's defence to the claim and the pleas have been served and filed. The estimation of the municipality's exposure is based on the possibility that the plaintiff may succeed with the claim plus costs and interest in which event the Municipality will also be liable for its own legal costs.		
21.2.4	**S F MASHILWANE**	20 000	20 000
	This is a matter where legal action was instituted against Mr Mashilwane for the recovery of outstanding amounts in respect of his vehicle loan. He has applied for recission of the judgment that previously was obtained and the matter is currently proceeding on a defended basis The Municipality's exposure is estimated on the basis that the defendant may be successful in his defence in which event the Municipality shall be liable for the defendant's legal costs as well as its own legal costs.		
22	**CAPITAL COMMITMENTS**		
	Commitments in respect of capital expenditure:		
	- Approved and contracted for	78 019 136	11 380 913
	- Approved but not yet contracted for	1 310 000	6 101 873
		79 329 136	**17 482 786**
	This expenditure will be financed from:		
	- Internal sources	0	1 458 947
	- External sources	79 329 136	16 023 839
	Other sources	2 200 000	1 152 213
	National government	8 609 886	5 608 722
	Provincial government	68 519 250	9 262 903
		79 329 136	**17 482 786**

	Description	2008 R	2007 R
23	**CAPITAL DEVELOPMENT FUND**		
	Outstanding advances to borrowing services		
	(Interest rate - 10% (2007 - 10%))		
	Accumulated funds	9 183 575	8 022 623
	Less: Internal investments	-6 135 071	-6 842 457
	(Refer to Appendix B for more details)	**3 048 504**	**1 180 166**
24	**UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE**		
	24.1 Fruitless and wastefull expnediture		
	Balance brought forward	-	-
	Fruitless and wastefull expenditure current year	637 472	-
	Condoned or written-off by Council	-	-
	Recovery of fruitless and wastefull expenditure	-	-
		637 472	**-**

24.1.1 Settlement payment to former Director Technical Services

During the previous financial year, the former Director Technical Services was dismissed and his employment contract terminated. CCMA ruled that he was unprocedurally and unfairly dismissed, and as a result therefore he should be paid all his outstanding salary and be re-instated. However the municipality decided not to re-instate him as there was another person already employed in his position, but reached a settlement agreement to pay his salary plus leave days due up to the end of his contract, being December 2007. The following constitute settlement payment made:

Cash payment	**637 471.58**	**-**

The settlement payment will be investigated and presented to council for decision on recovery or write-off in the 2008/09 financial year.

i) No further material losses or material irregular or fruitless and wastefull expenditure or material unauthorized expenditure had occurred during the financial year.

ii) No criminal or disciplinary steps were taken as a result of losses from the above.

iii) No material losses have been recovered or written-off.

APPENDIX A
STATUTORY FUNDS, RESERVES AND TRUST FUNDS

	Balance at 30/06/2007	Contributions during the year	Interest on investments	Other income	Expenditure during the year		Balance at 30/06/2008
					Operating	Capital	
	R	R	R	R	R	R	R
STATUTORY FUNDS							
Capital development fund	8 022 623	0	741 855	419 098	0	0	9 183 575
TOTAL STATUTORY FUNDS	**8 022 623**	**0**	**741 855**	**419 098**	**0**	**0**	**9 183 575**
RESERVES							
Scholarship Bursary Reserve	405 496	400 000	1 051	0	318 789	0	487 758
Bursary Reserve Officials	192 581	100 000	0	0	89 072	0	203 510
TOTAL STATUTORY FUNDS	**598 077**	**500 000**	**1 051**	**0**	**407 861**	**0**	**691 268**
TRUST FUNDS							
Free Basic Services Grant	1 424 398	0	94 761	0	0	0	1 519 159
Tax Capacity Grant	94 105	0	25 280	0	0	0	119 385
Municipal Systems Improvement Grant	0	734 000	8 321	0	693 756	0	48 565
MIG Funds	2 390 331	4 891 223	0	0	0	4 362 070	2 919 484
Library Funds	360 230	250 000	19 964	0	0	0	630 194
Ganyesa Dikhwena Trust Fund	3 899 953	888 212	189 853	0	55 857	2 985 803	1 936 358
Drought Relief Grant: DWAF	190 922	0	0	0	0	0	190 922
Finance Management Grant	664 303	500 000	4 699	0	320 733	37 314	810 955
National Lottery Grant	400 433	0	0	0	0	0	400 433
Morokweng Library	2 630 541	1 942 694	167 696	0	0	3 259 826	1 481 105
Bophirima DM: Indigent Register	0	160 853	0	0	36 513	124 340	0
DPLG Housing Grant: 1600 Housing Units	0	2 494 976	4 635	0	0	0	2 499 611
Department Of Sports arts and Culture	0	323 000	0	0	307 100	0	15 900
TOTAL TRUST FUNDS	**12 055 216**	**12 184 958**	**515 209**	**0**	**1 413 959**	**10 769 353**	**12 572 071**

APPENDIX B
EXTERNAL LOANS AND INTERNAL ADVANCES

			Balance at 30/06/2007	Received during the year	Redeemed or written-off during the year	Balance at 30/06/2008
			R	R	R	R
INTERNAL ADVANCES						
Capital Development Fund	**Loan Number**	**Redeemable**				
Itireleng Community Hall	001	2014	553 813	-	57 928	495 885
Tshaneng Community Hall	002	2014	756 117	-	79 089	677 028
C200k M/Benz	005	2008	99 586	-	99 586	-
Ganyesa Taxi Rank	006	2015	1 399 751	-	121 293	1 278 458
Upgrading of Piet Plessis Park	007	2015	233 021	-	20 192	212 829
Access Road Morokweng & Garapi	008	2015	2 348 057	-	203 467	2 144 590
Ganyesa & Morokweng Basic Floo	009	2015	634 845	-	55 011	579 834
KLM8/2005- Refurbishment of Sp	010	2015	286 780	-	24 850	261 929
KLM13/2004- Setabeng Comm Hall	011	2015	530 487	-	45 968	484 518
			6 842 456	**-**	**707 386**	**6 135 071**

(Refer to Note 23)

APPENDIX C
ANALYSIS OF FIXED ASSETS

SERVICE	Expenditure 2007	Adjustment Budget 2008	Balance at 30/06/2007	Expenditure during the year	Written-off, transferred, redeemed or disposed during the year	Balance at 30/06/2008
	R	R	R	R	R	R
RATES AND GENERAL SERVICES	11 665 863	17 783 623	54 943 069	11 497 457	-901 119	65 539 407
Community Services	11 665 863	17 783 623	54 348 789	11 497 457	-901 119	64 945 127
Office of the Mayor	1 750	0	138 119	18 499	0	156 618
Office of the Speaker (Ward Committees)	11 997	0	113 703	0	0	113 703
Councilors	0	0	20 932	0	0	20 932
Office of the Municipal Manager	13 892	0	134 507	18 499	0	153 006
Corporate Service	442 463	95 000	1 634 309	188 415	0	1 822 724
Finance	129 600	0	232 574	20 427	-900	252 102
Integrated Development Planning	12 883	12 000	30 733	9 146	0	39 879
Engineering	2 981 199	17 516 111	27 570 684	11 081 959	0	38 652 643
Health	0	0	0	0	0	0
Local Ecomonic Development	784 297	0	952 936	0	0	952 936
Internal Audit	0	0	0	0	0	0
MPCC	2 567 449	0	4 272 723	0	0	4 272 723
Office Buildings	42 826	0	2 005 999	0	0	2 005 999
Council Vehicles	1 933 001	0	3 251 207	0	-900 219	2 350 988
Community Halls and Markets	2 028 622	160 512	7 361 121	160 512	0	7 521 633
Sports Facilities	715 885	0	6 629 242	0	0	6 629 242
Traffic Control	0	0	0	0	0	0

APPENDIX C (Cont)
ANALYSIS OF FIXED ASSETS

SERVICE	Expenditure 2007	Adjustment Budget 2008	Balance at 30/06/2007	Expenditure during the year	Written-off, transferred, redeemed or disposed during the year	Balance at 30/06/2008
	R	R	R	R	R	R
Subsidised services	0	0	533 640	0	0	533 640
Fire and Disaster	0	0	368 319	0	0	368 319
Libraries	0	0	165 321	0	0	165 321
Economic sevices	0	0	60 640	0	0	60 640
Refuse Removal and Sewerage	0	0	60 640	0	0	60 640
TRADING SERVICES	0	0	2 711 728	0	0	2 711 728
Water Works	0	0	2 711 728	0	0	2 711 728
	11 665 863	**17 783 623**	**57 654 798**	**11 497 457**	**-901 119**	**68 251 135**
LOANS REDEEMED AND OTHER CAPITAL RECEIPTS			-50 812 342	-12 204 843	-901 119	-62 116 065
Loans redeemed and advances repaid			1 319 374	707 386	282 374	1 744 386
Contributions from operating income			25 258 086	728 061	900	25 985 247
Grants and subsidies			24 234 881	10 769 396	617 846	34 386 432
			6 842 456	**-707 386**	**0**	**6 135 071**

Refer to Section 2, Section 3 of the Tresurer's Report for more details on fixed assets

APPENDIX D

ANALYSIS OF OPERATING INCOME AND EXPENDITURE FOR THE YEAR ENDED 30 JUNE 2008

	2008 Actual R	2008 Budget R	2007 Actual R
INCOME			
Grants and Subsidies:	32 308 677	33 231 390	27 771 525
- Central government	26 248 943	26 643 720	24 630 525
- Provincial government	6 059 734	6 587 670	3 141 000
Operating Income	540 189	458 240	228 167
- Sale of water	0	0	0
- Other	540 189	458 240	228 167
TOTAL INCOME	**32 848 866**	**33 689 630**	**27 999 692**
EXPENDITURE			
Salaries, wages and allowances	12 910 669	12 267 908	10 552 251
General expenses:	8 853 252	6 704 043	9 572 665
- Purchase of water	0	0	0
- Other general expenses	8 853 252	6 704 043	9 572 665
Repairs and maintenance	732 025	591 700	1 181 067
Capital charges	707 386	137 472	610 030
Contributions to fixed assets	728 061	1 130 837	5 130 471
Contributions	12 684 958	12 857 670	9 507 585
GROSS EXPENDITURE	36 616 351	33 689 630	36 554 069
Less: Amounts charged out	0	0	0
NETT EXPENDITURE	**36 616 351**	**33 689 630**	**36 554 069**
NETT SURPLUS / (DEFICIT)			
Nett Deficit for the year	-3 767 485		-8 554 377
Appropriations for the year (Refer to **Note 15**)	144 610		4 623 260
	-3 622 875		-3 931 117
Accumulated surplus / (deficit) at beginning of the year	-3 836 415		94 701
Accumulated surplus / (deficit) at end of the year	**-7 459 290**		**-3 836 415**

APPENDIX E
DETAILED INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2008

Service	2008 Actual Income R	2008 Actual Expenditure R	2008 Surplus / (Deficit) R	2008 Budget Surplus / (Deficit) R	2007 Actual Income R	2007 Actual Expenditure R	2007 Surplus / (Deficit) R
RATES AND GENERAL SERVICES	32 500 950	36 426 784	-3 925 834	0	27 485 564	35 790 616	-8 305 052
Community services	31 597 581	35 629 544	-4 031 963	0	25 550 776	34 114 819	-8 564 043
Office of the Mayor	1 091 808	1 162 873	-71 065	0	1 012 513	1 048 891	-36 378
Office of the Speaker (Ward Committees)	640 251	592 433	47 818	0	657 005	955 040	-298 035
Councilors	4 100 097	3 726 982	373 115	0	4 340 931	4 250 677	90 254
Office of the Municipal Manager	912 436	792 544	119 892	0	924 397	751 764	172 633
Corporate Service	5 459 000	5 071 644	387 356	0	4 305 403	5 259 519	-954 116
Finance	1 071 800	4 105 555	-3 033 755	0	2 777 291	3 355 233	-577 942
Integrated Development Planning	1 010 258	642 040	368 218	0	479 070	546 686	-67 616
Engineering	14 335 260	14 777 770	-442 510	0	8 519 880	11 828 670	-3 308 790
Health	11 501	9 349	2 152	0	5 141	10 254	-5 113
Local Ecomonic Development	503 336	822 782	-319 446	0	448 083	504 965	-56 882
Internal Audit	153 347	39 595	113 752	0	164 520	149 413	15 107
MPCC	629 154	273 834	355 320	0	313 996	502 702	-188 706
Office Buildings	1 245 382	2 273 636	-1 028 254	0	1 347 370	2 515 361	-1 167 991
Council Vehicles	0	1 134 425	-1 134 425	0	0	1 933 062	-1 933 062
Fire and Disaster Management	47 921	0	47 921	0	51 413	11 679	39 734
Community Halls and Markets	151 121	170 431	-19 310	0	100 385	341 309	-240 924
Libraries	0	0	0	0	0	0	0
Water Works	0	0	0	0	0	0	0
Sports Facilities	234 813	33 651	201 162	0	103 276	149 594	-46 318
Refuse and Sewerage	0	0	0	0	0	0	0
Traffic Control	96	0	96	0	102	0	102

APPENDIX E (Cont)
DETAILED INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2008

Service	2008 Actual Income	2008 Actual Expenditure	2008 Surplus / (Deficit)	2008 Adjustment Budget Surplus / (Deficit)	2007 Actual Income	2007 Actual Expenditure	2007 Surplus / (Deficit)
	R	R	R	R	R	R	R
Subsidised services	620 167	517 268	102 899	0	1 633 740	1 541 262	92 478
Fire Protection			0	0	0	0	0
Libraries	620 167	517 268	102 899	0	1 633 740	1 541 262	92 478
Economic services	283 202	279 972	3 230	0	301 048	134 535	166 513
Refuse Removal and Sewerage	283 202	279 972	3 230	0	301 048	134 535	166 513
TRADING SERVICES	347 916	189 567	158 349	0	514 128	763 453	-249 325
Water Works	347 916	189 567	158 349	0	514 128	763 453	-249 325
TOTAL	**32 848 866**	**36 616 351**	**-3 767 485**	**0**	**27 999 692**	**36 554 069**	**-8 554 377**
Appropriations for the year (Refer to **Note 15**)			144 610				4 623 260
Net surplus / (deficit) for the year			-3 622 875				-3 931 117
Accumulated surplus / (deficit) at the beginning of the year			-3 836 415				94 701
ACCUMULATED SURPLUS / (DEFICIT) AT THE END OF THE YEAR			**-7 459 290**				**-3 836 415**

APPENDIX F
STATISTICAL INFORMATION

	2008	2007
1 GENERAL STATISTICS		
Population	88 780	88 780
Valuation of taxable property	-	-
Valuation of non-taxable property	-	-
Date of valuation	-	-
Valuation of residential property	-	-
Valuation of commercial property	-	-
Number of residential properties	-	-
Number of commercial properties	-	-
Assessment rates	-	-
Number of employees in service on 30 June 2008	119	116
2 WATER STATISTICS		
Number of residential users	-	-
Number of commercial users	-	-
Units bought / purified	-	-
Units sold	-	-
Units lost in distribution	-	-
Units lost in distribution as % of (iv)	-	-
Cost per unit sold	-	-

APPENDIX G
DISCLOSURE PER SECTION 124 & 125 OF THE MFMA

SECTION 124

Subsection (1)(a)

The salaries, allowances and benefits of political office-bearers and councillors of the municipality, whether financial or in kind are reflected per **Note 12**.

Statement by Accounting Officer in terms of Section 124(1)(a) of the MFMA
The salaries, allowances and benefits per **Note 12** of the annual financial statements are within the upper limits of the framework envisaged in section 219 of the Constitution.

M.G. KEGAKILWE
MUNICIPAL MANAGER
DATE:

Subsection (1)(b)

No arrears are outstanding from any councillor to the municipality for rates or services.

Subsection (1)(c)

Salaries, allowances and benefits of Municipal Manager, CFO and Management	Salaries	Allowances (including Leave days sold)	Performance Bonus	Company Contributions	Total
	R	R	R	R	R
Municipal Manager	360 000	165 378	-	70 961	596 339
Director Corporate Services	180 000	262 609	-	56 811	499 421
Director Community Services and LED	216 000	78 266	-	51 238	345 503
Director Technical Services	318 644	147 631	-	74 785	541 060
Chief Financial Officer	251 500	252 375	-	54 379	558 254
Manager Technical Services	127 200	217 301	-	45 971	390 472
Administration Manager	106 000	173 655	-	14 066	293 721
Public Relations Officer	70 688	124 764	-	24 302	219 754
IDP / Local Economic Development Manager	17 667	146 882	-	7 514	172 063
	1 647 698	**1 568 861**	**-**	**400 026**	**3 616 586**

Subsection (2)(a) + (b)

Not applicable - Not municipal entity.

SECTION 125

Subsection (1)(a)

Not applicable - no municipal entities under the sole or shared control of the municipality during the financial year.

Subsection (1)(b)

SALGA North West	2008 R	2007 R
Opening balance		
Council subscriptions	35 552	40 000
Amount paid - current year	35 552	40 000
Amount paid - previous year	-	-
	-	**-**

Subsection (1)(c)

	Total Amounts Paid R	Amounts outstanding at Year-End (-Dr/Cr) R
Audit Fees	514 465	1 000 000
Taxes		
- PAYE	1 469 136	(40 906)
- VAT	-	(5 312 357)
Levies		
- UIF	94 917	-
- SDL	95 404	9
Duties	-	-
Pension fund contributions	1 185 556	686
Medical aid contributions	364 750	0
	3 724 229	**(4 352 568)**

Subsection (2)(a)(i) + (ii)

Bank accounts held	Opening balance R	Closing balance R
ABSA (Current Account)	483 485	172 114
	483 485	**172 114**

Subsection (2)(b)

Summary of Investments	Closing balance R
ABSA - 090 8064 2243	23 086
ABSA - 910 847 6617	1 236
ABSA - 090 9521 0019	4 214
ABSA - 20 6514 0922	0
ABSA - 090 9520 9808	115 144
ABSA - 090 9520 9599	1 519 159
ABSA - 091 0193 0905	1 257 579
ABSA - 206 595 9103	-
ABSA - 091 1953 4321	16 252
ABSA - 091 1953 4583	7 287
ABSA- 091 1953 4745	127 207
ABSA - 20 6595 9292	(0)
ABSA - 40 6805 2500	46 141
ABSA - 91 4336 9942	2 925
ABSA - 40 6789 2840	11 411
ABSA - 40 6655 2867	1 518 577
ABSA - 206 485 7297	-
STD Bank - 048545228	1 745 269
STD Bank - 048547808-001	30 543
Std Bank: 048547794-001	2 499 611
Std Bank: 048545236	69 913
	8 995 552

Subsection (2)(c)

Particulars of contingent liabilities of the municipality as at the end of the financial year are as per **Note 21**.

Subsection (2)(d)

Particulars of unauthorized, irregular, fruitless and wastefull expenditure as at the end of the financial year are as per **Note 24**.

Subsection (2)(e)

No known material non-compliance of the MFMA had taken place during the year.

Subsection (2)(f)

No other matters currently prescribed.